What Pritzker said about a mileage tax in January -- and where experts stand on the issue

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In January, Democratic gubernatorial candidate J.B. Pritzker suggested the state consider a vehicle miles traveled (VMT) tax during an interview with the Daily Herald editorial board.

Last week his campaign walked it back in a commercial stating "J.B. Pritzker has never proposed a vehicle mileage tax," amid ripostes from Republican Gov. Bruce Rauner and negative ads decrying a "car tax."

ADVERTISING

What's a VMT? Instead of being taxed per gallon of gas, drivers pay a tax for every mile they drive. The intent is to recoup gas taxes, needed for the upkeep of highways and bridges, that are shrinking as use of hybrid, electric and fuel-efficient vehicles grows.

The VMT concept's been dogged by fears it could violate users' privacy, but a pilot program has attracted volunteers and is successfully operating in Oregon. The Chicago Metropolitan Agency for Planning (CMAP) advocates testing it here.

Here's what Hyatt hotelier Pritzker told the Daily Herald on Jan. 11.

With gas taxes decreasing, "we're challenged to come up with the dollars that we need for our highway system and for our roads," he said. "So in some states, they have done tests recently for a VMT tax.

"I think it's something we should look at. We have to be careful about how it gets implemented and that's why it should only be a test at this point," Pritzker noted.

"It's only fair, right, that if you're on a road and traveling on that road that you should pay your fair share on the road like everybody else is paying."

Rauner's campaign pounced this month, cutting a commercial where Illinoisan Denise Smith says, "J.B. Pritzker wants to raise our income taxes but worse yet he wants a car tax, which will also come along with a tracking device."

On Sept. 5 on downstate TV station WCIA, Rauner stated, "Pritzker came out and said, 'let's tax everybody by the miles they drive -- let's put a box in people's cars -- track how many miles when they drive to work, when they drive to school, when they go to the grocery store.' That is big government, big taxing."

Pritzker spokeswoman Jordan Abudayyeh said Friday the candidate had not formally proposed a VMT.

"J.B. has not proposed a vehicle mileage tax. He said that other states are studying it and that we should see the results of that study. He believes that the state needs more revenue, which is why he supports a fair income tax, legalizing marijuana and growing Illinois' economy," Abudayyeh said. https://www.dailyherald.com/news/20180917/what-pritzker-said-about-a-mileage-tax-in-january---and-where-experts-stand-on-the-issue

Since 2015, Oregon has conducted a pilot VMT program with volunteers. Drivers who opt in receive credits on gas taxes paid at the pump and are not double-taxed. Rates per mile are 1.7 cents. Volunteers can pick a device to record their mileage from a state or two private-sector providers. GPS is optional.

In its ONTO 2050 draft report, CMAP recommends a VMT be instituted sometime in the future to replace the state's 19-cent per gallon motor fuel tax. With a \$24 million motor fuel tax fund shortfall anticipated in 2050, "user fees are the fairest way to go," CMAP Executive Director Joseph Szabo said at an August interview. Generally, "those that get the benefits out of the system need to be paying for the cost of maintaining the system."

Planners support an approach similar to Oregon and other states using volunteers for a test period and ensuring privacy concerns are addressed.

"The thought of it being this 'Eye in the Sky' and 'Big Brother' watching you is not the approach that ... has been used in other pilots. The best way, especially early on, is providing the opportunity to opt in and opt out," Szabo said.

Other hurdles involve offering parity for rural residents, who typically travel longer distances than those in Chicago and the suburbs.